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INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY 50X1-HUM

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COUNTRY East Germany

REPORT NO.

SUBJECT VEB Schwermaschinenbau S. M. Kirow,
Leipzig: Production Plans and
Production Difficulties

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THIS IS UNEVALUATED INFORMATION. SOURCE GRADINGS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

Attached for your information is a report on the production, current and
planned, of VEB Schwermaschinenbau S. M. Kirow, Leipzig.

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1. 1961 Production Situation

The campaign to increase production (Produktionsaufgebot) has not had the expected results. Wages are still above work productivity. On 30 November 1961, Plan realization amounted to the following:

Production for Sale (<u>Warenproduktion</u>):	84.3%
Annual Plan	: 71.4%

On 10 December 1961, the export plan for hoists (Aufzüge) was realized by 100% at production level. However, since sufficient electrical equipment for installation in the hoists could not be obtained, only 30 hoists will be shipped out. Production of about 60 hoists destined for domestic use will be carried over into the 1962 Plan. Deliveries of EDK for the Soviet Union and of Rapid III for East Germany are considerably in arrears. It ~~does~~ **not** appear that these arrears can be made up.

2. 1962 Planning

The originally established Plan sum of about 61 million DME is to be increased on order of the State Council (Staatsrat). How this is to be done is not clear since the originally planned sum would exploit all available capacity. The work productivity is to be increased by 12%, and the wage sum is to be decreased from 104% to 100%.

3. 1963 Prospects

Orders for 500 hoists are expected from the USSR, but, so far, none have been placed. The production for East Germany is dependent on export tonnage. When this is determined, production for East Germany will be entered in the (1962) Plan. This will be for about 280 hoists.

4. The manpower shortage continues.

5. The materials situation has not improved. Particularly short is electrical equipment, such as switch equipment and cable material.

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